

VZCZCXRO3227  
PP RUEHCN RUEHDBU RUEHGH RUEHPW RUEHSL  
DE RUEHBJ #0033 0080922  
ZNY CCCCC ZZH  
P 080922Z JAN 10  
FM AMEMBASSY BEIJING  
TO RUEHC/SECSTATE WASHDC PRIORITY 7536  
INFO RUCNAFG/AFGHANISTAN COLLECTIVE PRIORITY  
RUEHOO/CHINA POSTS COLLECTIVE PRIORITY  
RUEHZG/NATO EU COLLECTIVE PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEAIIA/CIA WASHINGTON DC PRIORITY

C O N F I D E N T I A L BEIJING 000033

SIPDIS

DEPT FOR EAP/CM AND S/SRAP

E.O. 12958: DECL: 01/08/2020

TAGS: [EAID](#) [EINV](#) [EMIN](#) [PREL](#) [PGOV](#) [AF](#) [CH](#)

SUBJECT: (C) CHINA-AFGHAN RELATIONS PLAGUED BY CORRUPTION,  
SAYS AFGHAN DIPLOMAT

REF: 2008 BEIJING 2840

Classified By: Economic Minister Counselor William Weinstein. Reasons  
1.4 (b, d)

11. (C) Corruption and commercial fraud have plagued China-Afghan economic relations, according to a Beijing-based Afghan diplomat. Our contact claimed that a "mafia" of corrupt Afghan officials, including Foreign Minister Ragin Dadfar Spanta and former Minister of Mines Ibrahim Adel, had received large bribes from state-owned China Metallurgical Group Corporation (MCC) to support the company's bids on the Aynak copper mine and Hajigak iron ore tenders. The Afghan diplomat said that small-scale Afghan businesses were often victims of commercial fraud in China and that his efforts to help the businesses recoup their losses had yielded few results. Despite skepticism about China's willingness to get involved in Afghanistan, he suggested that the United States and Afghanistan should coordinate in pressing China to increase its assistance. End Summary.

Corrupt Afghan Officials "Milk the Chinese Cow"

12. (C) Corrupt Afghan officials took large bribes from MCC to facilitate the company's bids on the Aynak copper mine tender and Hajigak iron ore tender, Afghan Embassy Commercial Attache Abdul Munir told EconOff January 8. Unable to get kickbacks from U.S. and European companies, Afghan officials saw the Chinese company as "a cow to milk" for bribes, according to Munir. He claimed that Afghan Foreign Minister Spanta received \$45 million of payments from MCC and that former Minister of Mines Adel received \$30 million from the company through middlemen in Dubai. He said former Afghan Ambassador to China Eklil Hakimi was also involved in this "mafia" of corruption, advising MCC on its bids in exchange for large bribes. At one point, Ambassador Hakimi advised MCC to propose constructing a railway as part of its Aynak proposal. According to Munir, the company saw no economic reason to build the railway but took Ambassador Hakimi's advice to ensure a successful bid. Although MCC committed to building the railway as part of the contract, Munir predicted that MCC would never build it unless the Afghan and Chinese governments pressured the company to do so.

Afghan Businesses Cheated in China

13. (C) Small-scale Afghan businesses are regularly defrauded by unlicensed Chinese companies and shady middlemen, said Munir, who has received 50 complaints of commercial fraud in the last three years. According to Munir, the inexperienced Afghan businessmen typically come to China looking for cheap Chinese goods to import but fall victim to unlicensed Chinese

companies that take up to 50 percent of payment up front and then never deliver the promised goods. Munir's complaints to the Chinese Ministry of Commerce and police in Xinjiang (where most of the deals have taken place) have yielded few results, with only five of the 50 cases resolved favorably for the Afghan businesses.

U.S. and Afghanistan Should Press PRC to Do More  
-----

¶4. (C) Munir expressed skepticism about China's willingness to significantly increase assistance to Afghanistan or closely coordinate with the United States. He said some Chinese officials had told him privately that China would avoid getting deeply involved in Afghanistan as long as a large number of U.S. and NATO forces remained. Nevertheless, Munir argued that China could potentially play a more productive role in Afghanistan. He suggested that the United States and Afghanistan should coordinate in urging China to provide Afghanistan greater assistance in the areas of education, agriculture, infrastructure and energy.  
HUNTSMAN